



STATE BOARD OF EQUALIZATION

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January 16, 1995

TO COUNTY ASSESSORS:

BURTON W. OLIVER  
*Executive Director*

No. 95/04

SUNSET DATE OF ACTIVE SOLAR ENERGY SYSTEMS

Section 73 of the Revenue and Taxation Code (all statutory references are to the Revenue and Taxation Code unless otherwise indicated) provides that the term "newly constructed" does not include the construction or addition of any active solar energy system for property tax purposes. Subdivision (d) of Section 73 provides that this section shall remain in effect only until January 1, 1995, and as of that date is repealed, unless a later-enacted statute, which is chaptered before January 1, 1995, deletes or extends that date.

Senate Bill 1553 (Chapter 382, Statutes of 1994) initially included an amendment to Section 73 that would have extended indefinitely the exclusion of active solar energy systems from the definition of new construction. However, all amendments to Section 73 were deleted from SB 1553 on June 1, 1994. Thus, the new construction exclusion for active solar energy systems is repealed effective January 1, 1995.

Active solar energy systems **completed** before January 1, 1995, remain excluded from the definition of new construction under Section 73. Any active solar energy system constructed or added **on or after** January 1, 1995, is new construction and is assessable as such. For example, if construction began on an active solar energy system on December 15, 1994, but was not completed until January 15, 1995, the entire system is considered new construction for property tax purposes. It is subject to supplemental assessment and will be assessable for the 1995 lien date.

If you have any questions regarding the contents of this letter, please contact our Real Property Technical Services Section at (916) 445-4982.

Sincerely,

John W. Hagerty  
Deputy Director  
Property Taxes Department

JWH:kmc